

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
FACTORY 2-U STORES, INC. a/k/a	)	Chapter 7
FACTORY 2-U f/a/k/a GENERAL TEXTILES,)	
INC., f/a/k/a GENERAL TEXTILES, f/a/k/a	)	Case No. 04-10111 (PJW)
FAMILY BARGAIN CORPORATION, f/a/k/a)	
FAMILY BARGAIN CENTER,)	
)	
Debtor.)	
)	
JEOFFREY L. BURTCH,)	
Chapter 7 Trustee)	
)	
Plaintiff)	
)	
v.)	
)	
ACCESSORY NETWORK GROUP, LLC	)	Adv. No. 06-50378
a/k/a ACCESSORY NETWORK GROUP)	
GMAC COMMERCIAL FINANCE LLC)	
)	
ALL-WAYS SPORTSWEAR, LTD.	)	Adv. No. 06-50035
GMAC COMMERCIAL FINANCE LLC)	
)	
AMERICAN MARKETING ENTERPRISES, INC.)	)	Adv. No. 06-50220
GMAC COMMERCIAL FINANCE LLC)	
)	
AMICA APPAREL CORP. d/b/a SQUEEZE KIDS	)	Adv. No. 06-50379
GMAC COMMERCIAL FINANCE LLC)	
)	
ATLANTIC HOSIERY, INC.	)	Adv. No. 05-30477
GMAC COMMERCIAL FINANCE LLC)	
)	
FAST FORWARD, LLC	)	Adv. No. 05-30156
GMAC COMMERCIAL FINANCE)	
)	
GREAT WALL CORP.	)	Adv. No. 06-50041
GMAC COMMERCIAL FINANCE LLC)	
)	
HAYWIN TEXTILE PRODUCTS	)	Adv. No. 06-50246
GMAC COMMERCIAL FINANCE LLC)	
ISAAC MORRIS, LTD	)	Adv. No. 05-53237
GMAC COMMERCIAL FINANCE LLC)	
)	

ISAAC MORRIS, LTD. d/b/a E-Baby	)	Adv. No. 06-50004
GMAC COMMERCIAL FINANCE LLC)	
)	
OUTERSTUFF, LTD.	)	Adv. No. 06-50132
GMAC COMMERCIAL FINANCE LLC)	
)	
PARK B. SMITH, INC. d/b/a SMITH AND	)	Adv. No. 05-30479
JOHNSON and d/b/a PARK B. SMITH LTD.)	
and PARK B. SMITH SR.)	
GMAC COMMERCIAL FINANCE LLC)	
)	
RK INDUSTRIES INC.	)	Adv. No. 06-50298
GMAC COMMERCIAL FINANCE, LLC)	
)	
SILVER GOOSE, INC.	)	Adv. No. 05-30463
GMAC COMMERCIAL FINANCE LLC)	
)	
SOLED OUT SOCKS INC.	)	Adv. No. 05-30100
GMAC COMMERCIAL CREDIT)	
)	
STAR REGENT APPAREL, INC.	)	Adv. No. 05-30476
STAR REGENT INTERNATIONAL INC.)	
GMAC COMMERCIAL FINANCE LLC)	
)	
WIESNER PRODUCTS, INC.	)	Adv. No. 06-50365
GMAC COMMERCIAL FINANCE LLC)	
)	
Defendants.)	

**MEMORANDUM IN SUPPORT OF DEFENDANT GMAC COMMERCIAL
FINANCE LLC'S MOTION FOR WITHDRAWAL OF THE REFERENCE
UNDER 28 U.S.C. §157(d) AND FED. R. BANKR. P. 5011**

EDWARDS ANGELL PALMER &
DODGE LLP
Stuart M. Brown (No. 4050)
Denise S. Kraft (No. 2778)
Mark D. Olivere (No. 4291)
919 N. Market Street, Suite 1500
Wilmington, DE 19801
Telephone: (302) 777-7770
Facsimile: (302) 777-7263
Counsel to GMAC Commercial Finance LLC

TABLE OF CONTENTS

I.	STATEMENT OF NATURE AND STAGE OF PROCEEDINGS.....	1
II.	SUMMARY OF ARGUMENT.....	3
III.	ARGUMENT	3
	1) The Adversary Proceedings are Subject to Mandatory Withdrawal Because Their Resolution Requires the Consideration of Both Title 11 and Activities Affecting Interstate Commerce	3
	2) No Judicial Economy Exists in Refusing to Withdraw the Adversary Proceedings at this time.....	6
IV.	CONCLUSION	6

TABLE OF AUTHORITIES

Cases

<u>Advisory Information and Management Systems, Inc. v. Prime Computer, Inc.,</u> 40 B.R. 1001 (M.D. Tenn. 1984).....	4
<u>Matters of Vicars Ins. Agency, Inc.,</u> 96 F.3d 949 (7 th Cir. 1996)	4, 5
<u>Northern Pipeline Construction Co. v. Marathon Pipe Line Co.,</u> 458 U.S. 50 (1982).....	4

Statutes

11 U.S.C. § 157(d).....	5
28 U.S.C. § 1471(c)	4
28 U.S.C. § 157(d).....	3
28 U.S.C. § 158(a)	6
28 U.S.C. §157(d)	3
Clayton Act (15 U.S.C. § 26).....	5
Sherman Act (15 U.S.C. § 1).....	5

I. STATEMENT OF NATURE AND STAGE OF PROCEEDINGS

Plaintiff, Jeffrey L. Burtch as chapter 7 trustee (the "Trustee" or "Plaintiff") in or about December, 2005 and January, 2006, filed approximately 17 adversary proceedings (each an "Adversary Proceeding" and collectively, the "Adversary Proceedings") against GMAC Commercial Finance LLC ("GMAC CF") and each of above-captioned co-defendants (collectively, the "Defendants") by filing complaints pursuant to sections 547 and 550 of title 11 of the United States Code (as amended, the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware ("Bankruptcy Court"). Thereafter, on or about September 19, 2006, GMAC CF filed an Answer together with its Affirmative Defenses in each of the Adversary Proceedings. Among the affirmative defenses raised by GMAC CF was the ordinary course of business defense pursuant to section 547(c)(2) of the Bankruptcy Code.

The Adversary Proceedings have been consolidated for discovery and administrative purposes. Subsequent to the close of discovery in the Adversary Proceedings, and in the course of recent communications with the Trustee's counsel, on August 9, 2007, GMAC CF learned for the first time that the Plaintiff intends to allege, as part of its rebuttal case, that GMAC CF engaged in anti-competitive actions in violation of antitrust laws, including alleged violations of the Sherman and Clayton Acts. Accordingly, the Trustee intends to litigate issues arising from applicable federal anti-trust laws in each of the Adversary Proceedings.

On August 15, 2007, the Trustee filed two separate motions relating to his intention to litigate antitrust laws, (1) the Trustee's Motion Pursuant to 11 U.S.C. § 105(d) for a Status Conference in Connection with Certain Pending Adversary

Proceedings (the “Motion for Conference”); and (2) the Trustee’s Motion for Expedited Consideration of Motion Pursuant to 11 U.S.C. § 105(d) for a Status Conference in Connection with Certain Pending Adversary Proceedings (“Motion to Expedite”). See Exhibits “A” and “B” attached hereto and incorporated herein. In fact, the Motion for Conference alleges that actions of the factors, such as GMAC CF, amounted to anti-competitive activities such that payments made during the preference period cannot be categorized as occurring in the “ordinary course of business.” See Exhibit A at Para. 5. The Motion for Conference further states that “the Factor Preference Actions have developed into matters far more complex than typical or ‘run of the mill’ Section 547 proceeding[s]. Information relating to the Trustee’s response to the factors’ ordinary course of business affirmative defense claims will also relate to potential additional antitrust causes of action to be brought by the Trustee.” See Motion to Expedite at Para. 6.

Pursuant to the instant motion, GMAC CF is requesting that the District Court withdraw the reference in these Adversary Proceedings pursuant to 28 U.S.C. §157(d) and that the Adversary Proceedings be heard and determined by the District Court. Del. Bankr. LR 5011-1 provides that this motion is to be filed with the Bankruptcy Court, but that the motion is to be heard and determined by the District Court. Fed. R. Bankr. P. 5011(a); Del. Bankr. LR 5011-1. This Motion is being made timely as the Trustee has only recently produced discovery and brought to GMAC CF’s attention his intended rebuttal case in each of the Adversary Proceedings. The filing of the instant motion is the first available time GMAC CF could have requested that the reference be withdrawn on the grounds asserted herein.

II. SUMMARY OF ARGUMENT

1. As a consequence of the Trustee's recently disclosed, intended rebuttal to GMAC CF's section 547(c) ordinary course of business defense by alleging that antitrust violations by GMAC CF negate such defense, GMAC CF is entitled to a mandatory withdrawal of the reference as the Adversary Proceedings now involve both the consideration of title 11 and other laws of the United States involving activities affecting interstate commerce.

2. Withdrawing the reference in the Adversary Proceedings would promote the administration of both the Adversary Proceedings and the main bankruptcy case as costs to the parties would be significantly diminished in the event of an appeal.

III. ARGUMENT

The statutory predicate for the relief requested herein is 28 U.S.C. § 157(d), which provides:

The district court *may* withdraw, in whole or in part, any case or proceeding referred under this section, on its own motion or on timely motion of any party, for cause shown. The district court *shall*, on timely motion of a party, so withdraw a proceeding if the court determines that resolution of the proceeding requires consideration of both title 11 and other laws of the United States regulating organizations or activities affecting interstate commerce.

28 U.S.C. §157(d) (emphasis added).

1) **The Adversary Proceedings are Subject to Mandatory Withdrawal Because Their Resolution Requires the Consideration of Both Title 11 and Activities Affecting Interstate Commerce**

The mandatory withdrawal provision of 28 U.S.C. § 157(d) was interpreted by the United States Court of Appeals for the Seventh Circuit in Matters of Vicars Ins. Agency,

Inc., 96 F.3d 949 (7th Cir. 1996). After reviewing the different interpretations placed on the mandatory withdrawal provision of section 157(d), the Court adopted the rule authorizing mandatory withdrawal only if the proceeding could not be resolved “without substantial and material consideration” of the non-bankruptcy statute. 96 F.3d at 952. Later in the opinion, the Court stated that mandatory withdrawal was appropriate only if the non-Bankruptcy Code statute, here the Sherman and Clayton Acts, required “significant” interpretation. 96 F.3d at 953.

Particularly relevant to these Adversary Proceedings is the Vicars’ Court observation regarding antitrust complaints.

[I]t would be somewhat anomalous to require withdrawal of a proceeding that contains, say, both title 11 and complex antitrust interpretation issues, but leaves to the bankruptcy court those cases or proceedings that require complex analysis of the antitrust statutes alone.

Id. at 453. In 1982, Northern Pipeline Construction Co. v. Marathon Pipe Line Co., 458 U.S. 50 (1982), the Supreme Court stuck down the broad grant of jurisdiction to bankruptcy judges under 28 U.S.C. § 1471(c) as an unconstitutional delegation of the judicial power of the United States to non-tenured judges. After Marathon, but before the adoption of section 157(d), Advisory Information and Management Systems, Inc. v. Prime Computer, Inc., 40 B.R. 1001 (M.D. Tenn. 1984) stated that district courts “should therefore exercise control to prevent parties from using bankruptcy courts to obtain relief based primarily on allegations of antitrust.” 40 B.R. 1004. In the present case, the Trustee seeks to present a rebuttal case in the Adversary Proceedings alleging antitrust violations. This is exactly the type of judicial maneuvering that was addressed and forbidden by the courts.

Through discovery recently produced by the Trustee to GMAC CF, and a newly-raised rebuttal argument by the Trustee to GMAC CF's 547(c)(2) ordinary course defense, it has become clear that the Trustee intends to present and litigate an antitrust case in each of the Adversary Proceedings, including allegations that GMAC CF allegedly engaged in violations of the Sherman Act (15 U.S.C. § 1) and Clayton Act (15 U.S.C. § 26), both of which are statutes of the United States regulating organizations or activities affecting interstate commerce.

The Adversary Proceedings not only require "substantial and material consideration" of United States antitrust law, but raise an actual conflict between antitrust law and section 547 of the Bankruptcy Code. The Vicars Court noted that the legal question "need not be of cosmic proportions." 96 F.3d at 954. Here, the interaction between antitrust laws and section 547 of the Bankruptcy Code goes beyond a mere ordinary course analysis pursuant to section 547(c)(2), and ***implicates factoring industry transactions***. GMAC CF understands the Trustee's argument to be that if two or more factors engaged in discussions concerning the credit worthiness of a customer of the factors' clients, such conduct would constitute an antitrust agreement in violation of applicable laws and as such, could not be ordinary course collection practices, thereby negating GMAC CF's section 547(c) statutory defense to the Trustee's *prima facie* case. If antitrust law violations are to become a judicially-created exception to section 547 as constructed by Congress, such exception should be the decision of an Article III Court.

The Adversary Proceedings clearly require a "substantial and material consideration" of antitrust law. 11 U.S.C. § 157(d). GMAC CF further submits that the

interpretation of the antitrust statutes is “significant,” and as noted, goes beyond these cases. Accordingly, the Adversary Proceedings are subject to mandatory withdrawal.

2) No Judicial Economy Exists in Refusing to Withdraw the Adversary Proceedings at this time

Section 157(d) of the title 28 permits withdrawal of a proceeding for cause shown. Cause exists for the permissive withdrawal of the Adversary Proceedings. Because of Constitutional considerations, appeals from orders of a bankruptcy court do not go directly to a circuit court, but must first be appealed, as in the Third Circuit, to a district court. 28 U.S.C. § 158(a). The effect of this requirement is to impose not only significant additional costs upon the parties to the appeal, but also a loss in time before the appeal is determined. The magnitude of the issues presented by the Adversary Proceedings, GMAC CF's defense and the Trustee's rebuttal are such that an appeal to the Third Circuit will be taken from the district court's order, should it become necessary. It would promote the administration of these proceedings and bankruptcy law generally if the significant controversies presented by the Adversary Proceedings were finally determined sooner rather than later. Accordingly, if mandatory withdrawal is not appropriate, this Court is requested to withdraw the Adversary Proceeding as a matter of discretion.

It would be a sound exercise of judicial discretion to withdraw the reference of the Adversary Proceedings.

IV. CONCLUSION

For all of the foregoing reasons, there is sufficient cause to immediately withdraw the reference with respect to the Action. Defendant GMAC CF respectfully submits that

the Court should grant its Motion for Withdrawal of the Reference pursuant to 28 U.S.C. §157(d) and Fed. R. Bankr. P. 5011.

Dated: August 16, 2007
Wilmington, Delaware

EDWARDS ANGELL PALMER & DODGE LLP

/s/ Denise Seastone Kraft

Stuart M. Brown (No. 4050)

Denise Seastone Kraft (No. 2778)

Mark D. Olivere (No. 4291)

919 N. Market Street, Suite 1500

Wilmington, DE 19801

Tel: (302) 777-7770

Fax: (302) 777-7263

sbrown@eapdlaw.com

dkraft@eapdlaw.com

molivere@eapdlaw.com

Counsel for GMAC Commercial Finance LLC

Exhibit A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re)	
)	
FACTORY 2-U STORES, INC., a/k/a	)	Chapter 7
FACTORY 2-U, f/a/k/a GENERAL)	
TEXTILES, INC., f/a/k/a GENERAL	)	Case No. 04-10111 (PJW)
TEXTILES, f/a/k/a FAMILY BARGAIN)	
CORPORATION, f/a/k/a FAMILY)	
BARGAIN CENTER,)	
)	
Debtor.)	
)	
JEOFFREY L. BURTCH,)	
CHAPTER 7 TRUSTEE,)	
)	
)	
Plaintiff,)	
)	
v.	)	<u>Adv. Proc. Nos.</u>
)	
LEEMO USA INC./	)	05-30002 (KJC)
HSBC BUSINESS CREDIT (USA) INC.,)	
)	
LOTUS APPAREL INC./	)	05-30057 (KJC)
FINANCE ONE INC.,)	
)	
MYSTIQUE APPAREL GROUP INC./	)	05-30065 (KJC)
CIT GROUP INC.,)	
)	
PORTICO APPAREL LP/	)	05-30086 (KJC)
CIT GROUP, INC.,)	
)	
S.A.S.C.O. TRADING INC./	)	05-30091 (KJC)
HSBC BUSINESS CREDIT (USA) INC.,)	
)	
SNOOP DOGG CLOTHING, AKNY INC./	)	05-30098 (KJC)
CIT GROUP, INC.,)	
)	
WOODS & GRAY LTD./	)	05-30133 (KJC)
CIT GROUP, INC.,)	
)	
KS TRADING CORP./	)	05-30192 (KJC)
CIT GROUP, INC.,)	
)	

JOHN PAUL RICHARD/ CIT GROUP, INC.,	)	05-30197 (KJC)
)	
NEW TECHNICAL GROUP, INC./ CIT GROUP, INC.,	)	05-30246 (KJC)
)	
SECOND GENERATION INC./ CONTINENTAL BUSINESS CREDIT, INC.,	)	05-30471 (KJC)
)	
DECOLINE INTERNATIONAL, INC./ HSBC BUSINESS CREDIT (USA) INC.,	)	05-30474 (KJC)
)	
MDR CLOTHING, INC., ALMOST NOTHING, INC./ CONTINENTAL BUSINESS CREDIT INC.,	)	05-30673 (KJC)
)	
INNOVATIVE COSMETICS CONCEPTS L.L.C./ CIT GROUP INC./COMMERCIAL SERVICES, INC.,	)	05-52559 (KJC)
)	
G III APPAREL GROUP, LTD.,	)	05-52582 (KJC)
)	
YG DESIGNS INC./ HSBC BUSINESS CREDIT (USA) INC.,	)	05-52668 (KJC)
)	
YOU AND ME LEGWEAR LLC, SEATTLE PACIFIC INDUSTRIES, INC./ HSBC BUSINESS CREDIT (USA) INC.,	)	05-52669 (KJC)
)	
WEEPLAY KIDS L.L.C./ CIT GROUP INC./COMMERCIAL SERVICES, INC.,	)	05-52671 (KJC)
)	
SELECT CLOTHING CO., INC./ CIT GROUP INC/ COMMERCIAL SERVICES, INC.,	)	05-52697 (KJC)
)	
RANDAZZO ENTERPRISES, LLC d/b/a SUNSHINE HOME PRODUCTS/ CIT GROUP INC./COMMERCIAL SERVICES, INC.,	)	05-52721 (KJC)
)	
ALWAYS HAPPY SPORTSWEAR INC./ CIT GROUP/BUSINESS CREDIT, INC.,	)	05-52773 (KJC)
)	
GLOBAL MERCHANDISE LLC/	)	05-52993 (KJC)

GENERAL BUSINESS CREDIT,)	
)	
J&L FOOTWEAR INC./	)	05-53016 (KJC)
CIT GROUP, INC.,)	
)	
MOSHAY INC./	)	05-53032 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
FRANSHAW, INC./	)	05-53047 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
DAVID'S PLACE OFF PRICE	)	05-53060 (KJC)
CLOTHING CO., INC./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
ROYAL ITEMS, INC./	)	05-53118 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
PARAMOUNT APPAREL, LTD. f/k/a	)	05-53120 (KJC)
USA AMICO, LTD./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
SMART INVENTIONS INC./	)	05-53123 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
SAMSUNG AMERICA INC./	)	05-53205 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
CHERRY STIX LTD., CHERRY STIX	)	06-50018 (KJC)
KIDS, LTD./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
CACTUS TRADING, INC., REVERE	)	06-50019 (KJC)
TEXTILE COMPANY, INC./)	
GE CAPITAL COMMERCIAL SERVICES,)	
INC./CIT GROUP INC./)	
COMMERCIAL SERVICES, INC.,)	
)	

CROWN CRAFTS INFANT	)	06-50020 (KJC)
PRODUCTS, INC./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.)	
)	
CELEBRITY INTERNATIONAL INC./	)	06-50021 (KJC)
FIDELITY FACTORS, L.L.C./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
BILLION TOWER INTERNATIONAL LLC	)	06-50082 (KJC)
HSBC BUSINESS CREDIT (USA) INC./)	
CIT GROUP, INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
ANDREWS SPORT CLUB, INC./	)	06-50161 (KJC)
CIT GROUP INC./CMS, INC.,)	
)	
BARON DISTRIBUTORS, INC./	)	06-50162 (KJC)
CIT GROUP INC./CMS, INC.,)	
)	
BENTEX GROUP, INC./	)	06-50163 (KJC)
CIT GROUP INC./CMS, INC.,)	
)	
BREAKER JEANSWEAR CORP. d/b/a	)	06-50165 (KJC)
JALATE LTD./)	
CIT GROUP INC./CMS, INC.,)	
)	
DIVISION SIX SPORTS, INC./	)	06-50166 (KJC)
CIT GROUP INC./CMS, INC.,)	
)	
DORAN LOREN L.L.C./	)	06-50167 (KJC)
CIT GROUP INC./CMS, INC.,)	
)	
MIDTOWN CLOSEOUT, INC./	)	06-50171 (KJC)
CIT GROUP INC./CMS, INC.,)	
)	
MIRTH INC. d/b/a COUGAR	)	06-50172 (KJC)
INTERNATIONAL/)	
CIT GROUP INC./CMS, INC.,)	
)	
MJT IMPORTS CORPORATION/	)	06-50173 (KJC)
CIT GROUP INC./CMS, INC.,)	
)	
PACO SPORT, LTD./	)	06-50175 (KJC)
CIT GROUP INC./COMMERCIAL)	

SERVICES, INC.,)	
)	
PAN OCEANIC GROUP, INC, PANO	)	06-50176 (KJC)
OFF PRICE, LTD./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC./GE CAPITAL)	
COMMERCIAL SERVICES, INC.,)	
)	
TARGET RESOURCES, INC./	)	06-50179 (KJC)
CIT GROUP/CMS, INC.,)	
)	
IFG CORPORATION/	)	06-50200 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
PANTIES PLUS, INC./	)	06-50207 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
ALLIANCE WHOLESALE CORP./	)	06-50215 (KJC)
GE CAPITAL COMMERCIAL SERVICES,)	
INC./CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
ALONA APPAREL INC. a/k/a POSITANO/	)	06-50218 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
PUZZLES ENTERPRISES, INC./	)	06-50221 (KJC)
L.A. MAIN CONNECTION, INC.,)	
)	
ACCESS BASIC BLUE JEANS CORP./	)	06-50223 (KJC)
HANA FINANCIAL, INC.,)	
)	
AMEREX GROUP, INC. d/b/a	)	06-50228 (KJC)
AMEREX OF CALIFORNIA CORP./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
AMERICAN BASICS CO., L.L.C. a/k/a	)	06-50229 (KJC)
ABC/CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
GLENOIT UNIVERSAL, LTD.,	)	06-50231 (KJC)
GLENOIT L.L.C./)	
CIT GROUP INC./COMMERCIAL)	

SERVICES, INC.,)	
)	
GINA HOSIERY, LTD./	)	06-50232 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
GARY STEINER SALES, INC./	)	06-50233 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
GLOBAL GOLD, INC., GLOBAL	)	06-50237 (KJC)
APPAREL, L.L.C., PLANET GOLD)	
CLOTHING COMPANY INC./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
M. HIDARY & COMPANY INC./	)	06-50238 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
H.G. HOSIERY ASSOCIATES, INC./	)	06-50240 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
HAMCO, INC./	)	06-50243 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
HARVIC INTERNATIONAL LTD./	)	06-50244 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
HEMISPHERE WORLDWIDE SALES, INC./	)	06-50245 (KJC)
GE CAPITAL COMMERCIAL SERVICES,)	
INC./CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
PANDELCO, INC. d/b/a L.A. MOVERS/	)	06-50251 (KJC)
CIT GROUP INC./ COMMERCIAL)	
SERVICES, INC.,)	
)	
LUGGAGE AMERICA, INC. d/b/a	)	06-50255 (KJC)
OLYMPIA INTERNATIONAL/)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	

KAKTUS SPORTSWEAR, INC./	)	06-50270 (KJC)
HSBC BUSINESS CREDIT (USA) INC.,)	
)	
REVERE MILLS, INC./	)	06-50272 (KJC)
CIT GROUP, INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
SARAMAX APPAREL GROUP, INC./	)	06-50274 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
TREVCO, INC.,	)	06-50277 (KJC)
)	
USA TEASE INC., SRA APPAREL, INC.,	)	06-50292 (KJC)
SRA APPAREL CORP./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
GMA ACCESSORIES, INC. d/b/a	)	06-50296 (KJC)
CAPELLI OF NY, CAPELLI OF)	
NEW YORK, INC./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
RIGO INTERNATIONAL, INC./	)	06-50297 (KJC)
HSBC BUSINESS CREDIT (USA) INC.,)	
)	
SCOPE IMPORTS INC., SCOPE	)	06-50299 (KJC)
APPAREL, L.P./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
VAN DALE INDUSTRIES, INC.,	)	06-50304 (KJC)
)	
TIP TOP PANTS, INC. a/k/a	)	06-50323 (KJC)
TIP TOP PANT INC./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
CHF INDUSTRIES, INC.,	)	06-50327 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
IN 7 CLOTHING, INC., IN 7	)	06-50328 (KJC)
CLOTHING CO., INC./)	
CIT GROUP INC./COMMERCIAL)	

SERVICES, INC.,)	
)	
INNOVO INC., INNOVO GROUP, INC./	)	06-50333 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
INTERTEX APPAREL LTD./	)	06-50338 (KJC)
GE CAPITAL COMMERCIAL)	
SERVICES, INC./CIT GROUP INC./)	
COMMERCIAL SERVICES, INC.,)	
)	
PERFECT FIT INDUSTRIES, INC./	)	06-50370 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
M.R.S., INC. d/b/a CARESSE	)	06-50373 (KJC)
LINGERIE, CARESSE LINGERIE, INC./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
RAIDER JEAN, L.L.C., MARKO APPAREL	)	06-50377 (KJC)
OF NEW YORK LTD. d/b/a)	
RAIDER JEAN COMPANY/)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
ALBERT ASSOR d/b/a COCONUT GROVE	)	06-50381 (KJC)
DESIGN, ADABERPI CORP. d/b/a)	
COCONUT GROVE DESIGN/)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
GOLDEN TOO, INC., PLANET GOLD	)	06-50382 (KJC)
CLOTHING COMPANY, INC./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
JUST FOR WRAPS, INC., d/b/a	)	06-50384 (KJC)
WRAPPER, JUST FOR WRAPS/)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
TURN ON PRODUCTS, INC. d/b/a	)	06-50390 (KJC)
YOUNIQUE CLOTHING CO./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	

AMERICAN LIGHTING INDUSTRY INC.	)	06-50392 (KJC)
a/k/a AMERICAN LIGHTING USA/)	
RTA FURNITURE OF AMERICA/)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
TRANSCO MERCHANDISE, INC. a/k/a	)	06-50395 (KJC)
TRANSCO TRADING, TRANSCO TRADING)	
CO., TRANSCO TRADING CORP.,)	
TRANSCO IMPORTS CORP./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
BMGM CO., L.L.C. d/b/a	)	06-50398 (KJC)
HONEYCOMB KIDS/)	
GMAC COMMERCIAL FINANCE L.L.C./)	
CIT GROUP INC./ COMMERCIAL)	
SERVICES, INC.,)	
STRETCH-O-RAMA, INC., d/b/a	)	06-50399 (KJC)
LONGSTREET, KIDSZONE CLOTHING CO.,)	
NASCAR, SAHARA, GENUINE SCHOOL)	
UNIFORM, MIDTOWN CLOSEOUTS,)	
PRIMARY/CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
LILY BLEU, INC. D/B/A LILY BLEU,	)	06-50400 (KJC)
KIM & CAMI PRODUCTIONS INC./)	
SUNTRUST BANKS, INC.,)	
AMERICAN CHARACTER CLASSICS INC.,	)	06-50430 (KJC)
MAMIYE BROTHERS INC.)	
a/k/a MAMIYE SALES/)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
GOLD MEDAL HOSIERY CO.,	)	06-50431 (KJC)
PREGER AND WERTENTEIL INC./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
SOLED OUT SOCKS INC. /	)	05-30100 (KJC)
GMAC COMMERCIAL CREDIT,)	
FAST FORWARD, LLC /	)	05-30156 (KJC)

GMAC COMMERCIAL FINANCE,)	
)	
SILVER GOOSE, INC. /	)	05-30463 (KJC)
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
STAR REGENT APPAREL, INC.,	)	05-30476 (KJC)
STAR REGENT INTERNATIONAL INC./)	
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
ATLANTIC HOSIERY, INC. /	)	05-30477 (KJC)
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
PARK B. SMITH INC. D/B/A SMITH AND	)	05-30479 (KJC)
JOHNSON AND D/B/A PARK B. SMITH LTD.,)	
PARK B. SMITH SR. /)	
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
ISAAC MORRIS, LTD.	)	05-53237 (KJC)
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
ISAAC MORRIS, LTD. D/B/A E BABY,	)	06-50004 (KJC)
E-BABY L.L.C. /)	
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
ALL-WAYS SPORTSWEAR, LTD. /	)	06-50035 (KJC)
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
GREAT WALL CORP. /	)	06-50041 (KJC)
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
OUTERSTUFF, LTD. /	)	06-50132 (KJC)
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
AMERICAN MARKETING ENTERPRISES,	)	06-50220 (KJC)
INC. / GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
HAYWIN TEXTILE PRODUCTS, INC. /	)	06-50246 (KJC)
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
RK INDUSTRIES INC. /	)	06-50298 (KJC)
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
WIESNER PRODUCTS, INC. /	)	06-50365 (KJC)
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
ACCESSORY NETWORK GROUP, LLC A/K/A	)	06-50378 (KJC)

ACCESSORY NETWORK GROUP /)	
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
AMICA APPAREL CORP. D/B/A	)	06-50379 (KJC)
SQUEEZE KIDS /)	
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
STYLE N DESIGN, INC. and	)	05-30464 (KJC)
STERLING FACTORS CORPORATION,)	
)	
PACIFIC TEAZE and	)	06-50135 (KJC)
STERLING FACTORS CORPORATION,)	
)	
CELEBRATION TRADING, INC.	)	05-30746 (KJC)
CELEBRATION II, INC., d/b/a)	
CELEBRATION TRADING, INC.)	
SALES EXCHANGE, INC. d/b/a)	
CELEBRATION TRADING, INC.)	
and STERLING FACTORS CORPORATION,)	
)	
TKO ORIGINALS LTD A/K/A	)	06-50367 (KJC)
TKO ORIGINALS LTD)	
and LES ORIGINAUX TKO LTD)	
and STERLING FACTORS CORPORATION,)	
)	
NATCO PRODUCTS CORPORATION AND	)	06-50085 (KJC)
MILBERG FACTORS INC.,)	
)	
M ARON CORPORATION AND	)	05-30067 (KJC)
MILBERG FACTORS INC.,)	
)	
A.L.T. SPORTSWEAR, INC. AND	)	05-30669 (KJC)
MILBERG FACTORS INC.,)	
)	
KIDS HEADQUARTERS INC. A/K/A	)	06-50429 (KJC)
KIDS HEADQUARTERS,)	
WEAR ME APPAREL CORP., AND)	
MILBERG FACTORS INC.,)	
)	
LOUISE PARIS, LTD. AND	)	06-50366 (KJC)
MILBERG FACTORS INC.,)	
)	
SML SPORT LTD. AND	)	05-52694 (KJC)
MILBERG FACTORS INC.,)	
)	
MADISON INDUSTRIES, INC. AND	)	06-50342 (KJC)

MILBERG FACTORS INC.,)	
)	
GARLAND SALES, INC. AND	)	06-50040 (KJC)
MILBERG FACTORS INC.,)	
)	
JDR APPAREL GROUP, L.L.C. and	)	05-30750 (KJC)
HSBC BUSINESS CREDIT (USA) INC.,)	
)	
JERRY LEIGH OF CALIFORNIA INC.	)	05-30752 (KJC)
JERRY LEIGH ENTERTAINMENT)	
APPAREL INC. and HSBC BUSINESS CREDIT)	
(USA) INC.,)	
)	
ALMAR SALES COMPANY INC. D/B/A	)	06-50033 (KJC)
ASC PROMOTIONS and HSBC BUSINESS)	
CREDIT (USA) INC.,)	
)	
AMERISPORT, L.L.C. and HSBC BUSINESS	)	06-50034 (KJC)
CREDIT (USA) INC.,)	
)	
THE NORTHWEST COMPANY INC. D/B/A	)	06-50174 (KJC)
WILMINGTON PRODUCTS USA, INC.)	
and HSBC BUSINESS CREDIT (USA) INC.,)	
)	
FUNNY EXPRESSIONS, INC. and	)	06-50235 (KJC)
and HSBC BUSINESS CREDIT)	
(USA) INC.,)	
)	
FASHION OPTION INC. D/B/A GENERATION	)	06-50045 (KJC)
ONE APPAREL, INC. /)	
ROSENTHAL & ROSENTHAL INC.,)	
)	
MICHAEL'S NEW YORK JEAN CO. INC.	)	05-30063 (KJC)
CAPITAL FACTORS,)	
)	
CHOICE APPAREL, INC.	)	05-30148 (KJC)
CAPITAL FACTORS,)	
)	
BY DESIGN, LLC	)	05-30457 (KJC)
CAPITAL FACTORS, INC.,)	
)	
DESIRE SPORTSWEAR, INC.	)	05-30460 (KJC)
CAPITAL FACTORS, INC.,)	
)	
I-FE APPAREL, INC.	)	05-53037 (KJC)
CAPITAL FACTORS, LLC,)	

MILANO MANHATTAN, LTD.)	
CAPITAL FACTORS, INC.,	)	06-50049 (KJC)
)	
TRENDS CLOTHING CORP.	)	06-50275 (KJC)
CAPITAL FACTORS, INC.,)	
)	
INDULGENCE JEANS/TRENDY LOOKS	)	05-30748 (KJC)
CAPITAL FACTORS, INC.,)	
)	
Defendants.)	

**TRUSTEE'S MOTION PURSUANT TO 11 U.S.C. §105 (d) FOR A STATUS
CONFERENCE IN CONNECTION WITH CERTAIN PENDING ADVERSARY
PROCEEDINGS**

Jeffrey L. Burtch, Chapter 7 Trustee (the "Trustee" and/or "Plaintiff") for the estate of Factory 2-U Stores, Inc. (the "Debtor" and/or "Factory 2-U"), pursuant to 11 U.S.C. § 105 (d), hereby moves this Court to conduct a general status conference regarding the above-captioned adversary proceedings in order to address recent developments affecting these matters and their respective pretrial schedules. Trustee's Counsel has been advised that if the Court is amenable to conducting a 105 (d) status conference, it may occur on August 23, 2007 at 3:30 p.m. The purpose of this Motion, for which the Trustee seeks expedited consideration, is to request the conference and to advise the Court and Defendants of the subjects that the Trustee respectfully requests be addressed. In support thereof, the Trustee states as follows:

1. On January 13, 2004 (the "Petition Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq., as amended (the "Bankruptcy Code"), in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

2. This case converted to an action under Chapter 7 on January 27, 2005.

Jeoffrey L. Burtch was appointed as Interim Trustee on January 27, 2005 pursuant to Section 701 of the Bankruptcy Code and is serving as the Trustee of this Estate pursuant to Section 702(d) of the same.

3. Beginning in October 2005, over 800 preference proceedings were filed by the Trustee. Plaintiff requests a status conference for approximately 140 of the still pending actions, all of which involve a "factor" named as at least one of the Defendants (the "Factor Preference Actions").

4. Information has developed that affects the pretrial schedules for the Factor Preference Actions. The factor defendants have consistently produced in discovery little to no communications with the Debtor or co-defendants and other factor defendants. The Trustee has found amidst the approximately 5000 boxes of information placed in storage by the Debtor approximately six boxes that contained computer back-up tapes. The box descriptions did not indicate that computer information was contained therein. The laborious, expensive process of uploading the information and reviewing it continues. The review has yielded many emails containing communications between factors and/or their vendors and Factory 2-U during the relevant time period concerning topics such as payment terms and credit lines. The Trustee respectfully submits that he has the right to obtain such relevant, important information from the factors and their vendors as part of the discovery process in these matters.

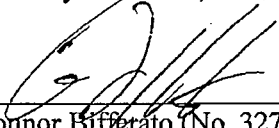
5. In addition, documents produced by one of the factors and information learned during a deposition reflect anti-competitive activities undertaken by the factors as a group such that payments during the preference period cannot be categorized as

occurring in the "ordinary course of business". The factors discussed subjects such as payment terms, credit lines, surcharges and requests for security such as letters of credit. These group activities exerted pressure on the Debtor in terms of its preference period payments. Further, this information may give rise to additional causes of action to be asserted by the Trustee on behalf of the estate against the factor defendants, such as claims based on violations of antitrust statutes.

6. It is respectfully submitted that the Factor Preference Actions have developed into matters far more complex than typical or "run of the mill" Section 547 proceeding. Information relating to the Trustee's response to the factors' ordinary course of business affirmative defense claims will also relate to potential additional antitrust causes of action to be brought by the Trustee. Accordingly, the Trustee has requested a status conference with the Court in order to provide a forum in which to address these developments and the most appropriate future proceedings in these matters.

Dated: August 15, 2007
Wilmington, Delaware

Respectfully submitted,



Ian Connor Bifferato (No. 3273)
Linda Richenderfer (No. 4138)
Garvan F. McDaniel (No. 4167)
BIFFERATO GENTILOTTI LLC
800 N. King Street, Plaza Level
Wilmington, DE 19801

-and-

/s/ Robert W. Pedigo

Robert W. Pedigo (No. 4047)

George R. Tsakataras (No. 3911)

COOCH AND TAYLOR

824 Market Street, Suite 1000

Wilmington, DE 19801

Co-Counsel for Plaintiff Jeffrey L.

Burtch, Chapter 7 Trustee

Exhibit B

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re)	
)	
FACTORY 2-U STORES, INC., a/k/a	)	Chapter 7
FACTORY 2-U, f/a/k/a GENERAL)	
TEXTILES, INC., f/a/k/a GENERAL	)	Case No. 04-10111 (PJW)
TEXTILES, f/a/k/a FAMILY BARGAIN)	
CORPORATION, f/a/k/a FAMILY)	
BARGAIN CENTER,)	
)	
Debtor.)	
)	
JEOFFREY L. BURTCH,)	
CHAPTER 7 TRUSTEE,)	
)	
)	
Plaintiff,)	
)	
v.	)	<u>Adv. Proc. Nos.</u>
)	
LEEMO USA INC./	)	05-30002 (KJC)
HSBC BUSINESS CREDIT (USA) INC.,)	
)	
LOTUS APPAREL INC./	)	05-30057 (KJC)
FINANCE ONE INC.,)	
)	
MYSTIQUE APPAREL GROUP INC./	)	05-30065 (KJC)
CIT GROUP INC.,)	
)	
PORTICO APPAREL LP/	)	05-30086 (KJC)
CIT GROUP, INC.,)	
)	
S.A.S.C.O. TRADING INC./	)	05-30091 (KJC)
HSBC BUSINESS CREDIT (USA) INC.,)	
)	
SNOOP DOGG CLOTHING, AKNY INC./	)	05-30098 (KJC)
CIT GROUP, INC.,)	
)	
WOODS & GRAY LTD./	)	05-30133 (KJC)
CIT GROUP, INC.,)	
)	
KS TRADING CORP./	)	05-30192 (KJC)
CIT GROUP, INC.,)	

JOHN PAUL RICHARD/ CIT GROUP, INC.,	)	05-30197 (KJC)
)	
NEW TECHNICAL GROUP, INC./ CIT GROUP, INC.,	)	05-30246 (KJC)
)	
SECOND GENERATION INC./ CONTINENTAL BUSINESS CREDIT, INC.,	)	05-30471 (KJC)
)	
DECOLINE INTERNATIONAL, INC./ HSBC BUSINESS CREDIT (USA) INC.,	)	05-30474 (KJC)
)	
MDR CLOTHING, INC., ALMOST NOTHING, INC./ CONTINENTAL BUSINESS CREDIT INC.,	)	05-30673 (KJC)
)	
INNOVATIVE COSMETICS CONCEPTS L.L.C./ CIT GROUP INC./COMMERCIAL SERVICES, INC.,	)	05-52559 (KJC)
)	
G III APPAREL GROUP, LTD.,	)	05-52582 (KJC)
)	
YG DESIGNS INC./ HSBC BUSINESS CREDIT (USA) INC.,	)	05-52668 (KJC)
)	
YOU AND ME LEGWEAR LLC, SEATTLE PACIFIC INDUSTRIES, INC./ HSBC BUSINESS CREDIT (USA) INC.,	)	05-52669 (KJC)
)	
WEEPLAY KIDS L.L.C./ CIT GROUP INC./COMMERCIAL SERVICES, INC.,	)	05-52671 (KJC)
)	
SELECT CLOTHING CO., INC./ CIT GROUP INC/ COMMERCIAL SERVICES, INC.,	)	05-52697 (KJC)
)	
RANDAZZO ENTERPRISES, LLC d/b/a SUNSHINE HOME PRODUCTS/ CIT GROUP INC./COMMERCIAL SERVICES, INC.,	)	05-52721 (KJC)
)	
ALWAYS HAPPY SPORTSWEAR INC./ CIT GROUP/BUSINESS CREDIT, INC.,	)	05-52773 (KJC)
)	

GLOBAL MERCHANDISE LLC/ GENERAL BUSINESS CREDIT,	)	05-52993 (KJC)
J&L FOOTWEAR INC./ CIT GROUP, INC.,	)	05-53016 (KJC)
MOSHAY INC./ CIT GROUP INC./COMMERCIAL SERVICES, INC.,	)	05-53032 (KJC)
FRANSHAW, INC./ CIT GROUP INC./COMMERCIAL SERVICES, INC.,	)	05-53047 (KJC)
DAVID'S PLACE OFF PRICE CLOTHING CO., INC./ CIT GROUP INC./COMMERCIAL SERVICES, INC.,	)	05-53060 (KJC)
ROYAL ITEMS, INC./ CIT GROUP INC./COMMERCIAL SERVICES, INC.,	)	05-53118 (KJC)
PARAMOUNT APPAREL, LTD. f/k/a USA AMICO, LTD./ CIT GROUP INC./COMMERCIAL SERVICES, INC.,	)	05-53120 (KJC)
SMART INVENTIONS INC./ CIT GROUP INC./COMMERCIAL SERVICES, INC.,	)	05-53123 (KJC)
SAMSUNG AMERICA INC./ CIT GROUP INC./COMMERCIAL SERVICES, INC.,	)	05-53205 (KJC)
CHERRY STIX LTD., CHERRY STIX KIDS, LTD./ CIT GROUP INC./COMMERCIAL SERVICES, INC.,	)	06-50018 (KJC)
CACTUS TRADING, INC., REVERE TEXTILE COMPANY, INC./ GE CAPITAL COMMERCIAL SERVICES,	)	06-50019 (KJC)

INC./CIT GROUP INC./)	
COMMERCIAL SERVICES, INC.,)	
)	
CROWN CRAFTS INFANT	)	06-50020 (KJC)
PRODUCTS, INC./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.)	
)	
CELEBRITY INTERNATIONAL INC./	)	06-50021 (KJC)
FIDELITY FACTORS, L.L.C./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
BILLION TOWER INTERNATIONAL LLC	)	06-50082 (KJC)
HSBC BUSINESS CREDIT (USA) INC./)	
CIT GROUP, INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
ANDREWS SPORT CLUB, INC./	)	06-50161 (KJC)
CIT GROUP INC./CMS, INC.,)	
)	
BARON DISTRIBUTORS, INC./	)	06-50162 (KJC)
CIT GROUP INC./CMS, INC.,)	
)	
BENTEX GROUP, INC./	)	06-50163 (KJC)
CIT GROUP INC./CMS, INC.,)	
)	
BREAKER JEANSWEAR CORP. d/b/a	)	06-50165 (KJC)
JALATE LTD./)	
CIT GROUP INC./CMS, INC.,)	
)	
DIVISION SIX SPORTS, INC./	)	06-50166 (KJC)
CIT GROUP INC./CMS, INC.,)	
)	
DORAN LOREN L.L.C./	)	06-50167 (KJC)
CIT GROUP INC./CMS, INC.,)	
)	
MIDTOWN CLOSEOUT, INC./	)	06-50171 (KJC)
CIT GROUP INC./CMS, INC.,)	
)	
MIRTH INC. d/b/a COUGAR	)	06-50172 (KJC)
INTERNATIONAL/)	
CIT GROUP INC./CMS, INC.,)	
)	
MJT IMPORTS CORPORATION/	)	06-50173 (KJC)

CIT GROUP INC./CMS, INC.,)	
)	
PACO SPORT, LTD./	)	06-50175 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
PAN OCEANIC GROUP, INC, PANO	)	06-50176 (KJC)
OFF PRICE, LTD./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC./GE CAPITAL)	
COMMERCIAL SERVICES, INC.,)	
)	
TARGET RESOURCES, INC./	)	06-50179 (KJC)
CIT GROUP/CMS, INC.,)	
)	
IFG CORPORATION/	)	06-50200 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
PANTIES PLUS, INC./	)	06-50207 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
ALLIANCE WHOLESALE CORP./	)	06-50215 (KJC)
GE CAPITAL COMMERCIAL SERVICES,)	
INC./CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
ALONA APPAREL INC. a/k/a POSITANO/	)	06-50218 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
PUZZLES ENTERPRISES, INC./	)	06-50221 (KJC)
L.A. MAIN CONNECTION, INC.,)	
)	
ACCESS BASIC BLUE JEANS CORP./	)	06-50223 (KJC)
HANA FINANCIAL, INC.,)	
)	
AMEREX GROUP, INC. d/b/a	)	06-50228 (KJC)
AMEREX OF CALIFORNIA CORP./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
AMERICAN BASICS CO., L.L.C. a/k/a	)	06-50229 (KJC)
ABC/CIT GROUP INC./COMMERCIAL)	

SERVICES, INC.,)	
)	
GLENOIT UNIVERSAL, LTD.,	)	06-50231 (KJC)
GLENOIT L.L.C./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
GINA HOSIERY, LTD./	)	06-50232 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
GARY STEINER SALES, INC./	)	06-50233 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
GLOBAL GOLD, INC., GLOBAL	)	06-50237 (KJC)
APPAREL, L.L.C., PLANET GOLD)	
CLOTHING COMPANY INC./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
M. HIDARY & COMPANY INC./	)	06-50238 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
H.G. HOSIERY ASSOCIATES, INC./	)	06-50240 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
HAMCO, INC./	)	06-50243 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
HARVIC INTERNATIONAL LTD./	)	06-50244 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
HEMISPHERE WORLDWIDE SALES, INC./	)	06-50245 (KJC)
GE CAPITAL COMMERCIAL SERVICES,)	
INC./CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
PANDELCO, INC. d/b/a L.A. MOVERS/	)	06-50251 (KJC)
CIT GROUP INC./ COMMERCIAL)	
SERVICES, INC.,)	

LUGGAGE AMERICA, INC. d/b/a	)	06-50255 (KJC)
OLYMPIA INTERNATIONAL/)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
KAKTUS SPORTSWEAR, INC./	)	06-50270 (KJC)
HSBC BUSINESS CREDIT (USA) INC.,)	
REVERE MILLS, INC./	)	06-50272 (KJC)
CIT GROUP, INC./COMMERCIAL)	
SERVICES, INC.,)	
SARAMAX APPAREL GROUP, INC./	)	06-50274 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
TREVCO, INC.,	)	06-50277 (KJC)
USA TEASE INC., SRA APPAREL, INC.,	)	06-50292 (KJC)
SRA APPAREL CORP./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
GMA ACCESSORIES, INC. d/b/a	)	06-50296 (KJC)
CAPELLI OF NY, CAPELLI OF)	
NEW YORK, INC./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
RIGO INTERNATIONAL, INC./	)	06-50297 (KJC)
HSBC BUSINESS CREDIT (USA) INC.,)	
SCOPE IMPORTS INC., SCOPE	)	06-50299 (KJC)
APPAREL, L.P./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
VAN DALE INDUSTRIES, INC.,	)	06-50304 (KJC)
TIP TOP PANTS, INC. a/k/a	)	06-50323 (KJC)
TIP TOP PANT INC./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	

CHF INDUSTRIES, INC.,	)	06-50327 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
IN 7 CLOTHING, INC., IN 7	)	06-50328 (KJC)
CLOTHING CO., INC./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
INNOVO INC., INNOVO GROUP, INC./	)	06-50333 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
INTERTEX APPAREL LTD./	)	06-50338 (KJC)
GE CAPITAL COMMERCIAL)	
SERVICES, INC./CIT GROUP INC./)	
COMMERCIAL SERVICES, INC.,)	
)	
PERFECT FIT INDUSTRIES, INC./	)	06-50370 (KJC)
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
M.R.S., INC. d/b/a CARESSE	)	06-50373 (KJC)
LINGERIE, CARESSE LINGERIE, INC./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
RAIDER JEAN, L.L.C., MARKO APPAREL	)	06-50377 (KJC)
OF NEW YORK LTD. d/b/a)	
RAIDER JEAN COMPANY/)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
ALBERT ASSOR d/b/a COCONUT GROVE	)	06-50381 (KJC)
DESIGN, ADABERPI CORP. d/b/a)	
COCONUT GROVE DESIGN/)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
GOLDEN TOO, INC., PLANET GOLD	)	06-50382 (KJC)
CLOTHING COMPANY, INC./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
JUST FOR WRAPS, INC., d/b/a	)	06-50384 (KJC)

WRAPPER, JUST FOR WRAPS/)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
TURN ON PRODUCTS, INC. d/b/a	)	06-50390 (KJC)
YOUNIQUE CLOTHING CO./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
AMERICAN LIGHTING INDUSTRY INC.	)	06-50392 (KJC)
a/k/a AMERICAN LIGHTING USA/)	
RTA FURNITURE OF AMERICA/)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
TRANSCO MERCHANDISE, INC. a/k/a	)	06-50395 (KJC)
TRANSCO TRADING, TRANSCO TRADING)	
CO., TRANSCO TRADING CORP.,)	
TRANSCO IMPORTS CORP./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
BMGM CO., L.L.C. d/b/a	)	06-50398 (KJC)
HONEYCOMB KIDS/)	
GMAC COMMERCIAL FINANCE L.L.C./)	
CIT GROUP INC./ COMMERCIAL)	
SERVICES, INC.,)	
)	
STRETCH-O-RAMA, INC., d/b/a	)	06-50399 (KJC)
LONGSTREET, KIDSZONE CLOTHING CO.,)	
NASCAR, SAHARA, GENUINE SCHOOL)	
UNIFORM, MIDTOWN CLOSEOUTS,)	
PRIMARY/CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
LILY BLEU, INC. D/B/A LILY BLEU,	)	06-50400 (KJC)
KIM & CAMI PRODUCTIONS INC./)	
SUNTRUST BANKS, INC.,)	
)	
AMERICAN CHARACTER CLASSICS INC.,	)	06-50430 (KJC)
MAMIYE BROTHERS INC.)	
a/k/a MAMIYE SALES/)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	

GOLD MEDAL HOSIERY CO.,	)	06-50431 (KJC)
PREGER AND WERTENTEIL INC./)	
CIT GROUP INC./COMMERCIAL)	
SERVICES, INC.,)	
)	
SOLED OUT SOCKS INC. /	)	05-30100 (KJC)
GMAC COMMERCIAL CREDIT,)	
)	
FAST FORWARD, LLC /	)	05-30156 (KJC)
GMAC COMMERCIAL FINANCE,)	
)	
SILVER GOOSE, INC. /	)	05-30463 (KJC)
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
STAR REGENT APPAREL, INC.,	)	05-30476 (KJC)
STAR REGENT INTERNATIONAL INC./)	
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
ATLANTIC HOSIERY, INC. /	)	05-30477 (KJC)
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
PARK B. SMITH INC. D/B/A SMITH AND	)	05-30479 (KJC)
JOHNSON AND D/B/A PARK B. SMITH LTD.,)	
PARK B. SMITH SR. /)	
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
ISAAC MORRIS, LTD.	)	05-53237 (KJC)
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
ISAAC MORRIS, LTD. D/B/A E BABY,	)	06-50004 (KJC)
E-BABY L.L.C. /)	
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
ALL-WAYS SPORTSWEAR, LTD. /	)	06-50035 (KJC)
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
GREAT WALL CORP. /	)	06-50041 (KJC)
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
OUTERSTUFF, LTD. /	)	06-50132 (KJC)
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
AMERICAN MARKETING ENTERPRISES,	)	06-50220 (KJC)
INC. / GMAC COMMERCIAL FINANCE L.L.C.,)	
)	

HAYWIN TEXTILE PRODUCTS, INC. /	)	06-50246 (KJC)
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
RK INDUSTRIES INC. /	)	06-50298 (KJC)
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
WIESNER PRODUCTS, INC. /	)	06-50365 (KJC)
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
ACCESSORY NETWORK GROUP, LLC A/K/A	)	06-50378 (KJC)
ACCESSORY NETWORK GROUP /)	
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
AMICA APPAREL CORP. D/B/A	)	06-50379 (KJC)
SQUEEZE KIDS /)	
GMAC COMMERCIAL FINANCE L.L.C.,)	
)	
STYLE N DESIGN, INC. and	)	05-30464 (KJC)
STERLING FACTORS CORPORATION,)	
)	
PACIFIC TEAZE and	)	06-50135 (KJC)
STERLING FACTORS CORPORATION,)	
)	
CELEBRATION TRADING, INC.	)	05-30746 (KJC)
CELEBRATION II, INC., d/b/a)	
CELEBRATION TRADING, INC.)	
SALES EXCHANGE, INC. d/b/a)	
CELEBRATION TRADING, INC.)	
and STERLING FACTORS CORPORATION,)	
)	
TKO ORIGINALS LTD A/K/A	)	06-50367 (KJC)
TKO ORIGINALS LTD)	
and LES ORIGINAUX TKO LTD)	
and STERLING FACTORS CORPORATION,)	
)	
NATCO PRODUCTS CORPORATION AND	)	06-50085 (KJC)
MILBERG FACTORS INC.,)	
)	
M ARON CORPORATION AND	)	05-30067 (KJC)
MILBERG FACTORS INC.,)	
)	
A.L.T. SPORTSWEAR, INC. AND	)	05-30669 (KJC)
MILBERG FACTORS INC.,)	
)	
KIDS HEADQUARTERS INC. A/K/A	)	06-50429 (KJC)

KIDS HEADQUARTERS,)	
WEAR ME APPAREL CORP., AND)	
MILBERG FACTORS INC.,)	
)	
LOUISE PARIS, LTD. AND	)	06-50366 (KJC)
MILBERG FACTORS INC.,)	
)	
SML SPORT LTD. AND	)	05-52694 (KJC)
MILBERG FACTORS INC.,)	
)	
MADISON INDUSTRIES, INC. AND	)	06-50342 (KJC)
MILBERG FACTORS INC.,)	
)	
GARLAND SALES, INC. AND	)	06-50040 (KJC)
MILBERG FACTORS INC.,)	
)	
JDR APPAREL GROUP, L.L.C. and	)	05-30750 (KJC)
HSBC BUSINESS CREDIT (USA) INC.,)	
)	
JERRY LEIGH OF CALIFORNIA INC.	)	05-30752 (KJC)
JERRY LEIGH ENTERTAINMENT)	
APPAREL INC. and HSBC BUSINESS CREDIT)	
(USA) INC.,)	
)	
ALMAR SALES COMPANY INC. D/B/A	)	06-50033 (KJC)
ASC PROMOTIONS and HSBC BUSINESS)	
CREDIT (USA) INC.,)	
)	
AMERISPORT, L.L.C. and HSBC BUSINESS	)	06-50034 (KJC)
CREDIT (USA) INC.,)	
)	
THE NORTHWEST COMPANY INC. D/B/A	)	06-50174 (KJC)
WILMINGTON PRODUCTS USA, INC.)	
and HSBC BUSINESS CREDIT (USA) INC.,)	
)	
FUNNY EXPRESSIONS, INC. and	)	06-50235 (KJC)
and HSBC BUSINESS CREDIT)	
(USA) INC.,)	
)	
FASHION OPTION INC. D/B/A GENERATION	)	06-50045 (KJC)
ONE APPAREL, INC. /)	
ROSENTHAL & ROSENTHAL INC.,)	
)	
MICHAEL'S NEW YORK JEAN CO. INC.	)	05-30063 (KJC)
CAPITAL FACTORS,)	

CHOICE APPAREL, INC.)	
CAPITAL FACTORS,	)	05-30148 (KJC)
)	
BY DESIGN, LLC)	
CAPITAL FACTORS, INC.,	)	05-30457 (KJC)
)	
DESIRE SPORTSWEAR, INC.)	
CAPITAL FACTORS, INC.,	)	05-30460 (KJC)
)	
I-FE APPAREL, INC.)	
CAPITAL FACTORS, LLC,	)	05-53037 (KJC)
)	
MILANO MANHATTAN, LTD.)	
CAPITAL FACTORS, INC.,	)	06-50049 (KJC)
)	
TRENDS CLOTHING CORP.)	
CAPITAL FACTORS, INC.,	)	06-50275 (KJC)
)	
INDULGENCE JEANS/TRENDY LOOKS)	
CAPITAL FACTORS, INC.,	)	05-30748 (KJC)
)	
Defendants.)	

**TRUSTEE'S MOTION FOR EXPEDITED CONSIDERATION OF MOTION
PURSUANT TO 11 U.S.C. §105 (d) FOR A STATUS CONFERENCE IN CONNECTION
WITH CERTAIN PENDING ADVERSARY PROCEEDINGS**

Jeoffrey L. Burtch, Chapter 7 Trustee (the "Trustee" and/or "Plaintiff") for the estate of Factory 2-U Stores, Inc. (the "Debtor" and/or "Factory 2-U"), by and through his counsel, hereby files this Motion for Expedited Consideration of Motion Pursuant to 11 U.S.C. §105 (d) for a Status Conference in Connection with Certain Pending Adversary Proceedings (the "Motion to Expedited") and, in support thereof, respectfully represents as follows:

1. On January 13, 2004 (the "Petition Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*, as

amended (the "Bankruptcy Code"), in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

2. This case converted to an action under Chapter 7 on January 27, 2005. Jeoffrey L. Burtch was appointed as Interim Trustee on January 27, 2005 pursuant to Section 701 of the Bankruptcy Code and is serving as the Trustee of this Estate pursuant to Section 702(d) of the same.

3. Beginning in October 2005, over 800 preference proceedings were filed by the Trustee. Plaintiff requests a status conference for approximately 140 of the still pending actions, all of which involve a "factor" named as at least one of the Defendants (the "Factor Preference Actions").

4. Information has developed that affects the mediations and pretrial schedules for the Factor Preference Actions. In addition, the recently discovered information may give rise to additional causes of action to be asserted by the Trustee on behalf of the estate against the factor defendants.

5. The Trustee has requested a status conference with the Court in order to provide a forum in which to address these developments and future proceedings in the Factor Preference Actions.

Relief Requested

6. As a result of the foregoing, in addition the information contained in the Motion Pursuant to 11 U.S.C. §105 (d) for a Status Conference in Connection with Certain Pending Adversary Proceedings (the "Motion for Conference"), the Trustee respectfully requests that this Court schedule a hearing to consider subjects outlined in the Motion for Conference for Thursday, August 23, 2007, at 3:30 p.m.

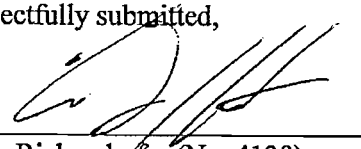
7. The Trustee submits that cause exists for the foregoing expedited request based upon the impact of the recently discovered information on already scheduled mediations and on expired and about to expire discovery deadlines.

8. The Trustee will provide copies of the Motion for Conference and of the Motion to Expedite via telecopy or overnight mail to all parties-in-interest as set forth on the attached Service List.

WHEREFORE, the Trustee respectfully requests that the Court: (i) enter an Order scheduling a hearing on the Motion Pursuant to 11 U.S.C. §105 (d) for a Status Conference in Connection with Certain Pending Adversary Proceedings for Thursday, August 23, 2007 at 3:30 p.m.; and (ii) grant such further relief as is just and proper.

Dated: August 15, 2007
Wilmington, Delaware

Respectfully submitted,



Linda Richenderfer (No. 4138)
Ian Connor Bifferato (No. 3273)
Garvan F. McDaniel (No. 4167)
BIFFERATO GENTILOTTI LLC
800 N. King Street, Plaza Level
Wilmington, DE 19801

-and-

/s/ Robert W. Pedigo

Robert W. Pedigo (No. 4047)
George R. Tsakataras (No. 3911)
COOCH AND TAYLOR
824 Market Street, Suite 1000
Wilmington, DE 19801

*Co-Counsel for Plaintiff Jeffrey L. Burtch,
Chapter 7 Trustee*

CERTIFICATE OF SERVICE

I, Denise Seastone Kraft, hereby certify that on the 16th day of August, 2007, I caused a copy of the Memorandum In Support Of Defendant GMAC Commercial Finance LLC's Motion For Withdrawal Of The Reference Under 28 U.S.C. §157(d) And Fed. R. Bankr. P. 5011 to be served upon the parties listed below in the manner indicated:

VIA HAND DELIVERY

George R. Tsakataras, Esq.
Robert W. Pedigo, Esq.
Shelley A. Kinsella, Esq.
COOCH & TAYLOR
824 N. Market Street, Suite 1000
Wilmington, DE 19899

Linda Richenderfer, Esq.
BIFFERATO GENTILOTTI, LLC
800 North King Street, First Floor
Wilmington, DE 19801
Counsel for the Trustee

Christopher D. Loizides, Esq.
Loizides, P.A.
1225 King Street, Suite 800
Wilmington, DE 19801
Counsel to Star Regent Apparel, Inc.

Frederick B. Rosner, Esq.
Christopher M. Winter, Esq.
DUANE MORRIS LLP
1100 North Market Street, Suite 1200
Wilmington, DE 19801
*Counsel to Isaac Morris, Ltd. and
Isaac Morris, Ltd. d/b/a E-Baby*

Christopher P. Simon, Esq.
Kevin S. Mann, Esq.
CROSS & SIMON, LLC
913 North Market Street, 11th Floor
Wilmington, DE 19801
*Counsel to Amica Apparel Corp.
d/b/a Squeeze Kids*

/s/ Denise Seastone Kraft
Denise Seastone Kraft (No. 2778)